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EXAMINER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	Applicant(s)
Office Action Summary	10/054,702	ZIZZAMIA ET AL.
	Examiner	Art Unit	
	Mike Tomaszewski	3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *18 August 2006*.

2a)☒ This action is **FINAL.** 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1 and 3-34* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1 and 3-34* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

        1.☐ Certified copies of the priority documents have been received.

        2.☐ Certified copies of the priority documents have been received in Application No. _____.

        3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application

6)☐ Other: _____.

DETAILED ACTION

Notice To Applicant

1.   This communication is in response to the amendment filed on 8/18/06. Per the interview

held on 3/15/07, the Final Rejection filed on 10/6/06 has been withdrawn and replaced with the

instant communication. Claim 2 has been cancelled. Claims 1, 13, 19, 20, 23-25 and 33 have

been amended. Claims 1 and 3-34 are pending.

Claim Rejections - 35 USC § 103

2.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

3.   Claims 1 and 3-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Apte et

al. (5,970,464; hereinafter Apte), in view of DeTore et al. (4,975,840; hereinafter DeTore) and

further in view of Zizzamia (5,893,072; hereinafter Zizzamia).

(A)   As per currently amended claim 1, Apte discloses a method for predicting the

profitability of an insurance policy comprising the steps of:

(1)   gathering policyholder data including premium and loss data for storing in a

        database (Apte: abstract; col. 1, lines 53-60; col. 9, lines 29-36; Fig. 1-14);

(2)   identifying external data sources directed to at least one of business level data and

        household demographics data, the external data sources having a plurality of

        external variables to be used in predicting the profitability of the insurance policy

        (Apte: col. 3, lines 5-19; Fig. 1-14);

(3)   associating the external variables with the policyholder data (Apte: abstract; col.

        1, lines 53-67; Fig. 1-14); and

(4)   creating an individually weighted statistical model based on said individual

        external predictive variables (Apte: abstract; col. 3, lines 44-53; col. 6, line 44-

        col. 7, line 17; Fig. 1-14).

Apte, however, fails to *expressly* disclose a method for predicting the profitability of an

insurance policy comprising the steps of:

(5)   evaluating the associated external variables against the policyholder data to

        identify the individual external variables predictive of the insurance policy's

        profitability; and

(6)   creating a multivariate statistical model.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore and

Zizzamia. In particular, DeTore and Zizzamia disclose a method for predicting the profitability

of an insurance policy comprising the steps of:

(5)   evaluating the associated external variables against the policyholder data to

identify the individual external variables predictive of the insurance policy's

profitability (DeTore: abstract; col. 7, lines 9-23; col. 15, lines 42-59; Fig. 1-12);

and

(6)   creating a <u>multivariate</u> statistical model (Zizzamia: col. 9, lines 18-21).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of Zizzamia with the combined teachings of Apte and Zizzamia with the

motivation of providing a method and apparatus for evaluating the insurability of a potentially

insurable risk (DeTore: col. 1, lines 55-58).

(B)   As per original claim 3, Apte fails to *expressly* disclose the method of claim 1 further

comprising the steps of creating individual records in the database for each policyholder and

populating each individual record with premium and loss data, business name, address and zip

code for each policyholder and the associated external variables.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In

particular, DeTore discloses the method of claim 1 further comprising the steps of creating

individual records in the database for each policyholder and populating each individual record

with premium and loss data, business name, address and zip code for each policyholder and the

associated external variables (DeTore: abstract; col. 4, lines 21-35; col. 17, line 62-col. 19, line

13; Fig. 1-12).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

(C)   As per original claim 4, Apte fails to *expressly* disclose the method of claim 1 further

comprising the step of associating at least one individual external variable with the individual

records based on a unique data key associated with at least one external data source.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In

particular, DeTore discloses the method of claim 1 further comprising the step of associating at

least one individual external variable with the individual records based on a unique data key

associated with at least one external data source (DeTore: abstract; col. 4, lines 36-col. 6, line 3;

Fig. 1-12).

One of ordinary skill would have found it obvious at the time of the invention to combine the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation of providing a method and apparatus for evaluating the insurability of a potentially insurable risk (DeTore: col. 1, lines 55-58).

(D)   As per original claim 5, Apte fails to *expressly* disclose the method of claim 1 further comprising the step of normalizing the policyholder data in the database.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In particular, DeTore discloses the method of claim 1 further comprising the step of normalizing the policyholder data in the database (DeTore: abstract; col. 15, lines 42-59; Fig. 1-12).

One of ordinary skill would have found it obvious at the time of the invention to combine the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation of providing a method and apparatus for evaluating the insurability of a potentially insurable risk (DeTore: col. 1, lines 55-58).

(E)   As per original claim 6, Apte discloses the method of claim 5 wherein the normalizing step further comprises the step of premium manualization, the step of loss trending and the step of loss capping (Apte: abstract; Fig. 1-14; Examiner also notes Applicant's admission in the background of the invention of the present application (10/054,702) that premium manualization is a commonly practiced technique.).

(F)   As per original claim 7, Apte discloses the method of claim 1 wherein the external data

sources include external variables for geographic factors (Apte: abstract; col. 3, lines 6-col. 4,

line 54; Fig. 1-14).

The Examiner has noted insofar as claim 7 recites "include external variables for at least

one of geographic factors, business stability and weather patterns," geographic factors has been

recited.

(G)   As per original claim 8, Apte fails to *expressly* disclose the method of claim 1 wherein

the step of evaluating the external variables further comprises the step of examining the external

variables for cross-correlation against one another in order to eliminate repetitive external

variables.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In

particular, DeTore discloses the method of claim 1 wherein the step of evaluating the external

variables further comprises the step of examining the external variables for cross-correlation

against one another in order to eliminate repetitive external variables (DeTore: abstract; col. 15,

lines 42-59; Fig. 1-12).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

(H)   As per original claim 9, Apte discloses the method of claim 1 further comprising the step

of dividing the data in the database into a validation data set for evaluating the predictiveness of

the statistical model (Apte: abstract; col. 3, line 60-col. 4, line 1; Fig. 1-14).

Apte, however, fails to *expressly* disclose the method of claim 1 further comprising the

step of dividing the data in the database into a training data set for developing the statistical

model, and a testing data set for refining the statistical model.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In

particular, DeTore discloses the method of claim 1 further comprising the step of dividing the

data in the database into a training data set for developing the statistical model, and a testing data

set for refining the statistical model (DeTore: abstract; col. 6, lines 10-21; Fig. 1-12).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

(I)   As per original claim 10, Apte discloses the method of claim 1 wherein the step of

identifying the external variables predictive of an insurance policy's profitability further includes

the steps of:

        (1)   calculating for each policyholder the loss ratio based on the normalized

                policyholder data (Apte: abstract; col. 1, lines 53-60; col. 9, lines 29-36; Fig. 1-

                14);

(2)   defining a subgroup from the policyholder data (Apte: abstract; col. 1, lines 53-
        60; Fig. 1-12);

(3)   calculating a cumulative loss ratio for the subgroup (Apte: abstract; col. 9, lines
        29-43; Fig. 1-14); and

(4)   performing a statistical analysis to identify statistical relationships between
        individual external variables and the cumulative loss ratio for the subgroup (Apte:
        abstract; col. 9, lines 29-43; Fig. 1-14).

Apte, however, fails to *expressly* disclose the method of claim 1 wherein the step of
identifying the external variables predictive of an insurance policy's profitability further includes
the steps of:

(5)   normalizing the policyholder data.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In
particular, DeTore discloses the method of claim 1 wherein the step of identifying the external
variables predictive of an insurance policy's profitability further includes the steps of:

(5)   normalizing the policyholder data (DeTore: abstract; col. 15, lines 42-59; Fig. 1-
        12).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

(J)   As per original claim 11, Apte fails to *expressly* disclose the method of claim 10 wherein

the identified predictive external variables are examined for cross-correlations against one

another.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In

particular, DeTore discloses the method of claim 10 wherein the identified predictive external

variables are examined for cross-correlations against one another (DeTore: abstract; col. 15, lines

42-59; Fig. 1-12).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

(K)   As per original claim 12, Apte fails to *expressly* disclose the method of claim 10 wherein

the statistical model is created using multivariate methods to produce coefficients for each of the

external predictive variables and the coefficients represent the contribution of the each of the

external predictive variables to an overall score (DeTore: abstract; col. 4, lines 36-53; Fig. 1-12).

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In particular, DeTore discloses the method of claim 10 wherein the statistical model is created using multivariate methods to produce coefficients for each of the external predictive variables and the coefficients represent the contribution of the each of the external predictive variables to an overall score (DeTore: abstract; col. 4, lines 36-53; Fig. 1-12).

One of ordinary skill would have found it obvious at the time of the invention to combine the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation of providing a method and apparatus for evaluating the insurability of a potentially insurable risk (DeTore: col. 1, lines 55-58).

(L)   As per currently amended claim 13, Apte discloses a method for creating a statistical model that generates a score representative of the profitability of an insurance policy for at least one of a new policyholder and an existing policyholder, comprising the steps of:

(1)   gathering historical policyholder data including loss and premium data (Apte: abstract; col. 1, lines 53-60; col. 9, lines 29-36; Fig. 1-14);

(2)   identifying external data sources having a plurality of external variables, each external variable having a value (Apte: col. 3, lines 5-19; Fig. 1-14);

(3)   calculating a loss ratio for each policyholder in the database based on the working data (Apte: abstract; col. 1, lines 53-60; col. 9, lines 29-36; Fig. 1-14);

(4)   calculating a cumulative loss ratio for a defined group of policyholders in the database (Apte: abstract; col. 1, lines 53-60; col. 9, lines 29-36; Fig. 1-14); and

(5)   an individually weighted statistical model (Apte: col. 6, lines 46-60).

Apte, however, fails to *expressly* disclose a method for creating a statistical model that generates a score representative of the profitability of an insurance policy for at least one of a new policyholder and an existing policyholder, comprising the steps of:

(6)   applying actuarial transformation to the policyholder data to generate working data;

(7)   performing a statistical analysis that investigates the relationship of each external variable and the cumulative loss ratio for the defined group to identify external variables that are predictive of the profitability of the insurance policy;

(8)   utilizing the predictive external variables identified in the previous step to develop a statistical model that generates a score predictive of the profitability of the insurance policy; and

(9)   a multivariate statistical model.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore and Zizzamia. In particular, DeTore and Zizzamia disclose a method for creating a statistical model that generates a score representative of the profitability of an insurance policy for at least one of a new policyholder and an existing policyholder, comprising the steps of:

(6)   applying actuarial transformation to the policyholder data to generate working

        data (DeTore: abstract; col. 16, lines 20-34; Fig. 1-12);

(7)   performing a statistical analysis that investigates the relationship of each external

        variable and the cumulative loss ratio for the defined group to identify external

        variables that are predictive of the profitability of the insurance policy (DeTore:

        abstract; col. 4, lines 36-53; Fig. 1-12);

(8)   utilizing the predictive external variables identified in the previous step to develop

        a statistical model that generates a score predictive of the profitability of the

        insurance policy (DeTore: abstract; col. 4, lines 36-53; Fig. 1-12);

(9)   a multivariate statistical model (Zizzamia: col. 9, lines 18-21).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of Zizzamia with the combined teachings of Apte and Zizzamia with the

motivation of providing a method and apparatus for evaluating the insurability of a potentially

insurable risk (DeTore: col. 1, lines 55-58).

(M)   As per original claim 14, Apte fails to *expressly* disclose the method of claim 13 wherein

the statistical model is used to score at least one of an existing policyholder and a new

policyholder in order to determine the premium for a commercial insurance policy.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In

particular, DeTore discloses the method of claim 13 wherein the statistical model is used to score

at least one of an existing policyholder and a new policyholder in order to determine the

premium for a commercial insurance policy (DeTore: abstract; col. 4, lines 36-53; Fig. 1-12).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

(N)   As per original claim 15, Apte discloses the method of claim 13 further comprising the

steps of manualizing the premium data, modifying long tail losses and capping large losses

(Apte: abstract; Fig. 1-14; Examiner also notes Applicant's admission in the background of the

invention of the present application (10/054,702) that premium manualization is a commonly

practiced technique.).

(O)   As per claim 16, Apte fails to *expressly* disclose the method of claim 13 further

comprising the step of binning together similar values of an external variable having multiple

values.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In particular, DeTore discloses the method of claim 13 further comprising the step of binning together similar values of an external variable having multiple values (DeTore: abstract; col. 15, lines 42-59; Fig. 1-12).

One of ordinary skill would have found it obvious at the time of the invention to combine the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation of providing a method and apparatus for evaluating the insurability of a potentially insurable risk (DeTore: col. 1, lines 55-58).

(P)   Original claim 17 substantially repeats the same limitations of claim 8 and is therefore, rejected for the same reason given for claim 8, and incorporated herein.

(Q)   Original claim 18 substantially repeats the same limitations of claim 9 and is therefore, rejected for the same reason given for claim 9, and incorporated herein.

(R)   Currently amended claim 19 substantially repeats the same limitations of claim 12 and is therefore, rejected for the same reason given for claim 12, and incorporated herein.

(S)   Currently amended claim 20 substantially repeats the same limitations of claim 1 and is therefore, rejected for the same reason given for claim 1, and incorporated herein.

(T)   Original claim 21 substantially repeats the same limitations of claim 12 and is therefore,

rejected for the same reason given for claim 12, and incorporated herein.

(U)   As per original claim 22, Apte fails to *expressly* disclose the system of claim 21 wherein

the multivariate method includes at least one of multiple regression.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In

particular, DeTore discloses the system of claim 21 wherein the multivariate method includes at

least one of multiple regression (DeTore: abstract; col. 5, lines 6-18; Fig. 1-12) (The Examiner

has noted insofar as claim 22 recites "includes at least one of multiple regression and generalized

linear modeling," multiple regression has been recited.)

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

(V)   Currently amended claim 23 substantially repeats the same limitations of claims 1 and 12

and is therefore, rejected for the same reason given for claims 1 and 12, and incorporated herein.

(W)   As per currently amended claim 24, Apte fails to *expressly* disclose the system of claim

23 wherein the means for performing the statistical method comprises a software application that

includes algorithms for performing at least one of multivariate statistical methods.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore. In particular, DeTore discloses the system of claim 23 wherein the means for performing a statistical method comprises a software application that includes algorithms for performing at least one of multivariate statistical methods (DeTore: abstract; col. 4, lines 36-53; Fig. 1-12) (The Examiner has noted insofar as claim 24 recites "includes algorithms for performing at least one of multivariate statistical methods, clustering methods, decision tree techniques and neural network techniques," multivariate statistical methods has been recited.).

One of ordinary skill would have found it obvious at the time of the invention to combine the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation of providing a method and apparatus for evaluating the insurability of a potentially insurable risk (DeTore: col. 1, lines 55-58).

(X)   As per currently amended claim 25, Apte discloses a method of performing risk-based pricing of an insurance policy comprising the steps of:

    (1)   evaluating the risk associated with issuing the insurance policy based on a profitability score derived from an individually weighted multivariate statistical model generated with historical policyholder premium and loss data and external predictive variables identified from external data sources independent of internal policy holder data of an insurance company issuing the insurance policy (Apte: abstract; col. 1, lines 53-60; col. 9, lines 29-36; col. 6, lines 45-60; Fig. 1-14).

Apte, however, fails to *expressly* disclose a method of performing risk-based pricing of

an insurance policy comprising the steps of:

(2)   receiving a request for a price on an insurance policy; and

(3)   evaluating risk using a <u>multivariate</u> statistical model.

Nevertheless, this feature is old and well known in the art, as evidenced by DeTore and

Zizzamia. In particular, DeTore and Zizzamia disclose a method of performing risk-based

pricing of an insurance policy comprising the steps of:

(2)   receiving a request for a price on an insurance policy (DeTore: abstract; col. 17,

        line 62-col. 19, line 5; Fig. 1-12);

(3)   evaluating risk using a <u>multivariate</u> statistical model (Zizzamia: col. 9, lines 18-

        21).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of DeTore with the combined teachings of Apte and Zizzamia with the motivation

of providing a method and apparatus for evaluating the insurability of a potentially insurable risk

(DeTore: col. 1, lines 55-58).

One of ordinary skill would have found it obvious at the time of the invention to combine

the teachings of Zizzamia with the combined teachings of Apte and Zizzamia with the

motivation of providing a method and apparatus for evaluating the insurability of a potentially

insurable risk (DeTore: col. 1, lines 55-58).

(Y)   Original claim 26 substantially repeats the same limitations of claim 7 and is therefore,

rejected for the same reason given for claim 7, and incorporated herein.

(Z)   Original claim 27 substantially repeats the same limitations of claim 3 and is therefore,

rejected for the same reason given for claim 3, and incorporated herein.

(AA)   Original claim 28 substantially repeats the same limitations of claim 8 and is therefore,

rejected for the same reason given for claim 8, and incorporated herein.

(BB)   Original claim 29 substantially repeats the same limitations of claim 10 and is therefore,

rejected for the same reason given for claim 10, and incorporated herein.

(CC)   Original claim 30 substantially repeats the same limitations of claim 8 and is therefore,

rejected for the same reason given for claim 8, and incorporated herein.

(DD)   Original claim 31 substantially repeats the same limitations of claim 12 and is therefore,

rejected for the same reason given for claim 12, and incorporated herein.

(EE)   Original claim 32 substantially repeats the same limitations of claim 9 and is therefore,

rejected for the same reason given for claim 9, and incorporated herein.

(FF)   Original claim 33 substantially repeats the same limitations of claims 13 and 25 and is

therefore, rejected for the same reason given for claims 13 and 25, and incorporated herein.

(GG)   Original claim 34 substantially repeats the same limitations of claim 1 and is therefore,

rejected for the same reason given for claim 1, and incorporated herein.

Response to Arguments

4.   Applicant's arguments filed 8/18/06 have been fully considered but they are not

persuasive. Applicant's arguments will be addressed hereinbelow in the order in which they

appear in the response filed 8/18/06.

(A)   On page 11 of the 8/18/06 response, Applicant argues that there is no teaching or

suggestion in Apte for using any external data sources, or for using predictive variables obtained

from such external data sources, to generate an independently weighted multivariate statistical

model.

In response, Examiner notes that Apte teaches a plurality of data sources, "including

internal data and *external data*" [emphasis added.] (See Apte: col. 3, lines 7-9). Moreover,

Examiner respectfully submits that a broad, yet reasonable, interpretation of Apte, coupled with

the teachings of DeTore, *in toto*, teach the use of predictive variables obtained from external data

sources to generate an independently weighted multivariate statistical model (See Apte: col. 6,

line45-col. 7, line 23). Lastly, Examiner respectfully submits that the use of various statistical

techniques, such as multivariate models, independently weighted multivariate models, univariate

models, scaling, regression analyses, etc. are notoriously well known and obvious and have been

utilized by insurance artisans prior to Applicant's invention. As such, the aforementioned

features claimed by Applicant are deemed insufficient to substantively distinguish Applicant's

claimed invention over the prior art.

(B)   On page 11 of the 8/18/06 response, Applicant argues that DeTore does not cure the

deficiencies of Apte as a reference against claim 1, as amended. Applicant argues further that,

even if combined, Apte and DeTore do not teach operating upon external data to create a

statistical model utilizing a multivariate statistical approach.

        In response, Examiner respectfully submits that this argument has been adequately

addressed in section, 4. (A), *supra*.

(C)   On page 12 of the 8/18/06 response, Applicant argues that "at no time is external data

mined to identify predictor variables and then further processed to assign weights consistent with

the data given a statistical analysis." Applicant also argues that in DeTore, because the input

information to this process comes from the application data base, and is thus provided by

insurance applicants, it is not even external. Even combining DeTore and Apte, Applicant

argues, one would not obtain evaluating the associated external variables against the

policyholder data to identify the individual external variables predictive of the insurance policy's

profitability, and creating an individually weighted multivariate statistical model based on the

said individual external predictive variables, as is recited in claim 1.

In response, Examiner respectfully submits that Apte does indeed teach the use of

external data and identifying predictor values therefrom. For example, Apte teaches that external

data is used to develop a statistical model and subsequently developing individualized statistics

including predictor values (See Apte: col. 6, lines 45-60). Moreover, Examiner respectfully

submits that a broad, yet reasonable, interpretation of Apte, coupled with the teachings of

DeTore and knowledge available to a skilled artisan, *in toto*, teach the aforementioned features

claimed by Applicant, as previously mentioned in section 4. (A), *supra*.

(D)   Applicant's remaining arguments given in the response filed 8/18/06 rely upon or re-hash

the issues addressed above and therefore, are moot in view of the responses given in sections 4.

(A)-(C), *supra*, and incorporated herein.

Conclusion

5.   **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time

policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within TWO

MONTHS of the mailing date of this final action and the advisory action is not mailed until after

the end of the THREE-MONTH shortened statutory period, then the shortened statutory period

will expire on the date the advisory action is mailed, and any extension fee pursuant to 37

CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

however, will the statutory period for reply expire later than SIX MONTHS from the mailing
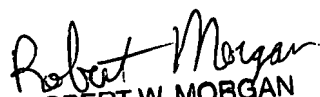
date of this final action.

6.   Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Mike Tomaszewski whose telephone number is (571)272-8117.

The examiner can normally be reached on M-F 7:00 am - 3:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Joseph Thomas can be reached on (571)272-6776. The fax phone number for the

organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent

Application Information Retrieval (PAIR) system. Status information for published applications

may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would

like assistance from a USPTO Customer Service Representative or access to the automated

information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MT

ROBERT W. MORGAN
PRIMARY EXAMINER
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